

CITY OF SAN RAMON
GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2002
WITH
INDEPENDENT AUDITORS' REPORT

CITY OF SAN RAMON
GENERAL PURPOSE FINANCIAL REPORT
JUNE 30, 2002

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council
For the City of San Ramon, California
City of San Ramon, California

We have audited the general-purpose financial statements of the City of San Ramon, California, as of and for the year ended June 30, 2002, as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such general-purpose financial statements present fairly in all material respects the financial position of the City of San Ramon, California at June 30, 2002 and the results of its operations and cash flows of its proprietary fund types for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report, dated October 11, 2002, on our consideration of the City of San Ramon, California's internal control and a report dated October 11, 2002, on its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining fund statements listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements. These combining fund statements have been subjected to the auditing procedures applied in the audits of the general-purpose financial statements, and in our opinion are fairly stated in all material respects when considered in relation to the general purpose financial statement taken as a whole.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
October 11, 2002

CITY OF SAN RAMON

COMBINED BALANCE SHEETS ALL FUND TYPES AND ACCOUNT GROUPS JUNE 30, 2002

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Capital Projects	Debt Service
ASSETS				
Cash and investments	\$ 33,015,075	\$ 25,139,575	\$ 375,615	\$ 2,208,584
Restricted cash and investments				5,669,420
Receivable:				
Accounts	2,285,258	1,448,410	27,328	
Interest	388,381	284,492	2,530	49,233
Employee loans	29,982			
Due from other funds	1,140,199			
Inventory	2,388			
Prepays and deposits	71,702			
Loan receivable		1,826,322		
General Fixed Assets				
Amount available in debt service fund				
Amount to be provided for general long-term obligations				
Total Assets	<u>\$ 36,932,985</u>	<u>\$ 28,698,799</u>	<u>\$ 405,473</u>	<u>\$ 7,927,237</u>
LIABILITIES				
Accounts payable	1,813,079	920,273	262,321	738
Salary and benefits payable	588,407	91,070	9,751	
Due to other funds		1,139,946		253
Due to other governments				
Deposits payable	505,261	95,516		
Claims payable	75,000			
Deferred revenue	568,226	1,115,788		
Due to bondholders				
Long term debt				
Tax allocation revenue bonds				
Certificates of participation				
Compensated absences				
Total Liabilities	<u>3,549,973</u>	<u>3,362,593</u>	<u>272,072</u>	<u>991</u>
FUND BALANCE				
Investment in general fixed assets				
Contributed capital				
Retained earnings				
Reserved				
Fund balances				
Reserved	71,702	3,873,007		5,669,420
Unreserved				
Designated solid waste program	1,638,752			
Undesignated	31,672,558	21,463,199	133,401	2,256,826
Total Fund Balance	<u>33,383,012</u>	<u>25,336,206</u>	<u>133,401</u>	<u>7,926,246</u>
Total Liabilities and Fund Balance	<u>\$ 36,932,985</u>	<u>\$ 28,698,799</u>	<u>\$ 405,473</u>	<u>\$ 7,927,237</u>

The accompanying notes are an integral part of these financial statements.

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTALS (Memorandum Only)	
		General Fixed Assets	General-Long Term Debt	2002	2001
Internal Service	Agency				
\$ 72,755	\$ 7,893,079			\$ 68,704,683	\$ 71,739,663
	345,466			6,014,886	6,323,817
	1,177,378			4,938,374	1,795,319
	89,575			814,211	918,303
				29,982	39,455
				1,140,199	497,908
				2,388	
				71,702	63,778
				1,826,322	1,836,703
4,563,904		\$ 70,980,526		75,544,430	67,242,954
			\$ 7,926,246	7,926,246	8,690,454
			50,092,086	50,092,086	50,505,162
\$ 4,636,659	\$ 9,505,498	\$ 70,980,526	\$ 58,018,332	\$ 217,105,509	\$ 209,653,516
72,755				3,069,166	5,233,311
				689,228	594,851
				1,140,199	497,908
	8,984,755			8,984,755	7,438
				600,777	477,509
				75,000	75,000
				1,684,014	1,570,764
	520,743			520,743	573,876
			34,000,000	34,000,000	34,640,000
			22,580,000	22,580,000	23,300,000
			1,438,332	1,438,332	1,255,616
72,755	9,505,498		58,018,332	74,782,214	68,226,273
		70,980,526		70,980,526	63,891,487
1,039,796				1,039,796	1,039,796
3,524,108				3,524,108	2,311,671
				9,614,129	9,101,753
				1,638,752	1,559,130
				55,525,984	63,523,406
4,563,904		70,980,526		142,323,295	141,427,243
\$ 4,636,659	\$ 9,505,498	\$ 70,980,526	\$ 58,018,332	\$ 217,105,509	\$ 209,653,516

CITY OF SAN RAMON

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(With Comparative Totals for the Fiscal Year Ended June 30, 2001)**

	GOVERNMENTAL FUND TYPES			
	General Fund	Special Revenue	Capital Projects	Debt Service
REVENUES				
Property taxes	\$ 6,900,242	\$ 1,128,665		\$ 3,562,755
Sales and other taxes	10,707,449			
Licenses, franchises and permits	3,224,729			
Fines and forfeitures	430,586			
Use of money and property	2,505,192	1,561,519	\$ (52,264)	516,950
Intergovernmental sources	4,061,462	1,899,251		
Developer fees	37,315	1,427,912		
User fees and charges	2,475,497			
Special district assessments		3,159,558		
Other revenues	904,650	147,413		
Total Revenues	31,247,122	9,324,318	(52,264)	4,079,705
EXPENDITURES				
Current:				
General government	5,365,844	221		
Development services	4,599,648	187,408		
Redevelopment activities		654,393	1,171,548	
Public safety	6,252,407	183,376		
Public services	4,332,431	5,508,574		
Parks and community service	4,320,223			
Capital outlay	5,701,629	4,972,943	3,048,078	
Debt service				
Principal retirement				3,873,031
Interest and fees				3,088,862
Total Expenditures	30,572,182	11,506,915	4,219,626	6,961,893
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	674,940	(2,182,597)	(4,271,890)	(2,882,188)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	861,956	3,350,862		2,121,274
Proceeds from debt			2,513,030	
Operating transfers out	(6,152,408)	(1,435,109)		(3,294)
Total Other Financing Sources (Uses)	(5,290,452)	1,915,753	2,513,030	2,117,980
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(4,615,512)	(266,844)	(1,758,860)	(764,208)
Fund Balances, Beginning of Year	37,998,524	25,603,050	1,892,261	8,690,454
Fund Balances, End of Year	\$ 33,383,012	\$ 25,336,206	\$ 133,401	\$ 7,926,246

The accompanying notes are an integral part of these financial statements.

TOTALS
(Memorandum
Only)

2002	2001
\$ 11,591,662	\$ 10,782,363
10,707,449	14,267,469
3,224,729	2,818,410
430,586	500,478
4,531,397	7,185,736
5,960,713	6,823,600
1,465,227	1,268,788
2,475,497	2,466,754
3,159,558	2,945,946
1,052,063	1,099,362
44,598,881	50,158,906
5,366,065	12,982,790
4,787,056	1,245,277
1,825,941	1,872,351
6,435,783	5,682,269
9,841,005	4,720,713
4,320,223	3,946,896
13,722,650	12,499,117
3,873,031	14,734,561
3,088,862	3,893,109
53,260,616	61,577,083
(8,661,735)	(11,418,177)
6,334,092	17,839,102
2,513,030	14,619,189
(7,590,811)	(18,287,313)
1,256,311	14,170,978
(7,405,424)	2,752,801
74,184,289	71,431,488
\$ 66,778,865	\$ 74,184,289

CITY OF SAN RAMON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ALL GOVERNMENTAL FUND TYPES FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 6,863,533	\$ 6,900,242	\$ 36,709
Sales and other taxes	16,049,310	10,707,449	(5,341,861)
Licenses, franchises and permits	2,886,316	3,224,729	338,413
Fines and forfeitures	481,000	430,586	(50,414)
Use of money and property	1,194,819	2,505,192	1,310,373
Intergovernmental sources	3,571,031	4,061,462	490,431
Developer fees	45,000	37,315	(7,685)
User fees and charges	2,901,107	2,475,497	(425,610)
Special district assessments			
Other revenues	811,933	904,650	92,717
Total Revenues	34,804,049	31,247,122	(3,556,927)
EXPENDITURES			
Current:			
General government	5,640,111	5,365,844	274,267
Development services	5,980,974	4,599,648	1,381,326
Redevelopment activities			
Public safety	6,779,913	6,252,407	527,506
Public services	5,195,469	4,332,431	863,038
Parks and community service	4,912,859	4,320,223	592,636
Capital outlay	2,786,716	5,701,629	(2,914,913)
Debt service			
Principal retirement			
Interest and fees			
Total Expenditures	31,296,042	30,572,182	723,860
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,508,007	674,940	(2,833,067)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,036,146	861,956	(174,190)
Proceeds from debt			
Operating transfers out	(6,477,347)	(6,152,408)	324,939
Total Other Financing Sources (Uses)	(5,441,201)	(5,290,452)	150,749
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (1,933,194)	(4,615,512)	\$ (2,682,318)
Fund Balances, Beginning of Year		37,998,524	
Fund Balances, End of Year		\$ 33,383,012	

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE			CAPITAL PROJECT		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,040,025	\$ 1,128,665	\$ 88,640			
1,003,776	1,561,519	557,743	\$ 173,251	\$ (52,264)	\$ (225,515)
2,093,508	1,899,251	(194,257)			
4,394,077	1,427,912	(2,966,165)			
3,083,990	3,159,558	75,568			
	147,413	147,413			
11,615,376	9,324,318	(2,291,058)	173,251	(52,264)	(225,515)
220	221	(1)			
697,980	187,408	510,572			
1,014,948	654,393	360,555	1,410,777	1,171,548	239,229
351,474	183,376	168,098			
6,883,694	5,508,574	1,375,120			
12,020,325	4,972,943	7,047,382	6,651,180	3,048,078	3,603,102
20,968,641	11,506,915	9,461,726	8,061,957	4,219,626	3,842,331
(9,353,265)	(2,182,597)	7,170,668	(7,888,706)	(4,271,890)	3,616,816
3,830,888	3,350,862	(480,026)			
(1,591,253)	(1,435,109)	156,144		2,513,030	2,513,030
2,239,635	1,915,753	(323,882)		2,513,030	2,513,030
\$ (7,113,630)	(266,844)	\$ 6,846,786	\$ (7,888,706)	(1,758,860)	\$ 6,129,846
	25,603,050			1,892,261	
	\$ 25,336,206			\$ 133,401	

CITY OF SAN RAMON

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	DEBT SERVICE		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 3,320,100	\$ 3,562,755	\$ 242,655
Sales and other taxes			
Licenses, franchises and permits			
Fines and forfeitures			
Use of money and property	444,956	516,950	71,994
Intergovernmental sources			
Developer fees			
User fees and charges			
Special district assessments			
Other revenues			
Total Revenues	<u>3,765,056</u>	<u>4,079,705</u>	<u>314,649</u>
EXPENDITURES			
Current:			
General government			
Development services			
Redevelopment activities			
Public safety			
Public services			
Parks and community service			
Capital outlay			
Debt service			
Principal retirement	2,601,438	3,873,031	(1,271,593)
Interest and fees	<u>3,082,780</u>	<u>3,088,862</u>	<u>(6,082)</u>
Total Expenditures	<u>5,684,218</u>	<u>6,961,893</u>	<u>(1,277,675)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,919,162)</u>	<u>(2,882,188)</u>	<u>(963,026)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,951,602	2,121,274	169,672
Proceeds from debt			
Operating transfers out		<u>(3,294)</u>	<u>(3,294)</u>
Total Other Financing Sources (Uses)	<u>1,951,602</u>	<u>2,117,980</u>	<u>166,378</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 32,440</u>	<u>(764,208)</u>	<u>\$ (796,648)</u>
Fund Balances, Beginning of Year		<u>8,690,454</u>	
Fund Balances, End of Year		<u>\$ 7,926,246</u>	

The accompanying notes are an integral part of these financial statements.

TOTAL
(Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 11,223,658	\$ 11,591,662	\$ 368,004
16,049,310	10,707,449	(5,341,861)
2,886,316	3,224,729	338,413
481,000	430,586	(50,414)
2,816,802	4,531,397	1,714,595
5,664,539	5,960,713	296,174
4,439,077	1,465,227	(2,973,850)
2,901,107	2,475,497	(425,610)
3,083,990	3,159,558	75,568
811,933	1,052,063	240,130
<u>50,357,732</u>	<u>44,598,881</u>	<u>(5,758,851)</u>
5,640,331	5,366,065	274,266
6,678,954	4,787,056	1,891,898
2,425,725	1,825,941	599,784
7,131,387	6,435,783	695,604
12,079,163	9,841,005	2,238,158
4,912,859	4,320,223	592,636
21,458,221	13,722,650	7,735,571
2,601,438	3,873,031	(1,271,593)
<u>3,082,780</u>	<u>3,088,862</u>	<u>(6,082)</u>
<u>66,010,858</u>	<u>53,260,616</u>	<u>12,750,242</u>
<u>(15,653,126)</u>	<u>(8,661,735)</u>	<u>6,991,391</u>
6,818,636	6,334,092	(484,544)
	2,513,030	2,513,030
<u>(8,068,600)</u>	<u>(7,590,811)</u>	<u>477,789</u>
<u>(1,249,964)</u>	<u>1,256,311</u>	<u>2,506,275</u>
<u>\$ (16,903,090)</u>	<u>(7,405,424)</u>	<u>\$ 9,497,666</u>
	<u>74,184,289</u>	
	<u>\$ 66,778,865</u>	

CITY OF SAN RAMON

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(With Comparative Totals for the Fiscal Year Ended June 30, 2001)**

	Internal Service	
	2002	2001
OPERATING REVENUES		
Charges for services	\$ 910,180	\$ 730,268
Miscellaneous	44,070	151,328
Total Operating Revenues	954,250	881,596
OPERATING EXPENSES		
Depreciation	961,105	853,813
Total Operating Expenses	961,105	853,813
Operating Income (Loss)	(6,855)	27,783
NONOPERATING REVENUES (EXPENSES)		
Loss on disposal of property	(37,427)	(54,247)
Total Nonoperating Expenses	(37,427)	(54,247)
Loss Before Operating Transfers	(44,282)	(26,464)
OPERATING TRANSFERS IN	1,256,719	448,212
Net Income	1,212,437	421,748
Retained Earnings, at Beginning of Year	2,311,671	1,889,923
Retained Earnings, at End of Year	\$ 3,524,108	\$ 2,311,671

The accompanying notes are an integral part of these financial statements.

CITY OF SAN RAMON

COMBINED STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

(With Comparative Totals for the Fiscal Year Ended June 30, 2001)

	Internal Service	
	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (6,855)	\$ 27,783
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	961,105	853,813
Net effect of changes in		
Accounts receivable	9,668	(9,668)
Accounts payable	26,861	(112,954)
	<u>990,779</u>	<u>758,974</u>
Cash Flows from Operating Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Fixed asset purchases	(2,253,232)	(1,373,934)
Proceeds from sale of fixed assets	42,263	44,129
	<u>(2,210,969)</u>	<u>(1,329,805)</u>
Cash Flows from Capital and Related Financing Activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Transfers In	1,256,719	448,212
	<u>1,256,719</u>	<u>448,212</u>
Cash Flows from Noncapital Financing Activities		
Net Cash Flows (Uses)	36,529	(122,619)
Cash and investments at Beginning of Year	36,226	158,845
Cash and investments at End of Year	<u>\$ 72,755</u>	<u>\$ 36,226</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 1 - GENERAL

A. Description

Incorporated in 1983, the City of San Ramon has a population of approximately 44,000. Located approximately 20 miles east of San Francisco, the City is situated at the center of the San Ramon Valley along Interstate 680 in Contra Costa County. In addition to its residential community, San Ramon encompasses Bishop Ranch, which is a major regional employment center housing over 200 companies.

San Ramon is a charter city operating under the Council-Manager form of government. Its five-member City Council is elected to overlapping four-year terms. The Council appoints the City Manager to serve as the administrator of City staff and to carry out the Council's policies. The City's staff provides the following services:

- *General Government Services* - provides administrative services including City Council, City Clerk, City Attorney, and City management and provides planning, building, engineering, and transportation services to the community, including construction inspection, code compliance, capital improvement project (CIP) management, transportation planning, economic and redevelopment services.
- *Development Services* - provides planning, building, engineering to the community including construction inspection, code compliance, and capital improvement project management.
- *Redevelopment Activities* - provides assistance to low and moderately low income areas in the pursuit to eliminate light.
- *Public Safety* - The City contracts with Contra Costa County for police services. In addition, City staff who hold civilian positions provide administrative and clerical support to the Police Department.
- *Public Services* - provides street, traffic signal, vehicle, public facility, street lighting, park and landscaping maintenance services for the City.
- *Parks and Community Services* - provides senior, adult and youth programs and recreational activities, and manages operation of parks and park facilities including the Community Center, Senior Center, Olympic Pool, various parks and open space areas.

B. Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria prescribed by Accounting Principals Generally Accepted in the United States of America (GAAP). As required by GAAP, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Financial accountability is interpreted to mean appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that there is a financial benefit or burden on the primary government.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 1 - GENERAL (Continued)

Included within the reporting entity of the City of San Ramon are the San Ramon Redevelopment Agency and the San Ramon Public Financing Authority.

A description of the entities follows:

- *San Ramon Redevelopment Agency* - The San Ramon Redevelopment Agency was established in 1985 under the Community Redevelopment Law of the State of California. The City Council serves as the governing board of the Agency. The Agency is responsible for eliminating blight within legally designated redevelopment project areas in the City. Separate audited financial statements may be obtained through the City of San Ramon, Finance Department, 2222 Camino Ramon, San Ramon, California, 94583.
- *San Ramon Public Financing Authority* - The San Ramon Public Financing Authority is a joint powers of authority between the City and the Agency established to provide financial assistance to the City and Agency by issuing debt and financing the construction of public facilities. The activities of the Authority have been included in the City's Debt Service Funds and General Long-Term Debt Account Group.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of San Ramon conform with accounting principles generally accepted in the United States of America applicable to governments. The following is a summary of the significant policies:

A. Fund Accounting

The accounts of the City are organized on the basis of individual funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. The City's resources are allocated to and accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the general-purpose financial statements as follows:

Governmental Funds

- *General Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.
- *Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Debt Service Funds* are used to account for the accumulation of resources to be used for the payment of general long-term debt principal and interest as well as related costs.

Proprietary Fund Types

- *Internal Service Fund* is used to account for the financing of goods provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fiduciary Fund Type

- *Agency Funds* are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds, in accordance with the conditions of the agreements. Agency funds are purely custodial and thus do not involve measurement of results of operations.

B. Measurement Focus

All governmental funds are accounted for on a spending or financial flow measurement focus, which means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is their net current assets, which is considered only to be a measure of available spendable resources. Governmental fund operating statements present a summary of sources and uses of available spendable resources during a period by presenting increases and decreases in net current assets.

Because of their spending measurement focus, governmental funds exclude fixed assets and noncurrent liabilities. Instead, these assets and liabilities are reported in the General Fixed Assets Account Group and the General Long-Term Obligations Account Group. These account groups measure only financial position; they are not funds and they do not measure results of operations. They maintain accounting control over the City's governmental fund fixed assets and City debt, which will be repaid by governmental funds.

In those cases when a governmental fund records a long-term receivable or other non-current asset, an offsetting credit is made to deferred revenue, or undesignated fund balance is reduced to reflect the fact that this amount is not yet available.

Proprietary funds are accounted for on a cost of services or capital maintenance measurement focus, which means that all assets and all liabilities associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total assets.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, for proprietary fund accounting, the City applies all applicable GASB pronouncements and all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The City also applies all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fixed Assets, Depreciation, and Long-Term Liabilities

The General Fixed Assets Account Group provides accounting control over the cost of fixed assets used by the City's governmental funds. The General Fixed Assets Account Group is not a fund and its balances are not financial resources available for expenditure. Rather, they provide a historical accounting record of resources expended on general fixed assets. Public domain (infrastructure) general fixed assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized because these assets are immovable and of value only to the public. No depreciation has been provided on general fixed assets.

Proprietary fund fixed assets are recorded at cost and depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of proprietary fund fixed assets equitably among all customers over the life of these assets, so that each customer's bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of proprietary fund fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Depreciation of all proprietary fund fixed assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the proprietary funds' balance sheet as a reduction in the book value of the fixed assets.

Depreciation of fixed assets in service is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated.

The City has assigned the useful lives listed below to proprietary fund fixed assets:

Machinery and Equipment	3 – 10 years
-------------------------	--------------

The General Long Term Debt Account Group provides accounting control over the unmatured principal of the City's general long-term debt. This debt will be repaid out of governmental funds but is not accounted for in these funds because this part of the debt does not require an appropriation or expenditure in this accounting period.

The two account groups are not funds. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

D. Contributed Capital in Proprietary Fund Types

Contributed capital in proprietary funds represents assets contributed from other funds. Contributed capital in the Equipment Replacement Internal Service Fund remained unchanged during the year ended June 30, 2002.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the general-purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental and agency fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Those revenues susceptible to accrual are property taxes, sales taxes, transient occupancy taxes, interest revenues, and charges for services. Fines, licenses, and permit revenues are not susceptible to accrual because they generally are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations which is recognized when due. Because of their current financial resources focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities.

All proprietary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

F. Property Taxes

Revenue is recognized in the fiscal year for which the tax is levied. The County of Contra Costa levies, bills and collects incremental property taxes for the City; under the County's "Teeter Plan" the county remits the entire amount levied and handles and retains all delinquencies, including interest and penalties. Secured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and February 1 and becomes a lien on those dates. It became delinquent on December 10 and April 10, respectively.

G. Compensated Absences

The liability for accumulated vacation, sick leave and compensated time off for all employees is recorded in the City's General Long-Term Obligation Account Group since available spendable resources are not expected to be used to pay this liability.

H. Cash Flows

Proprietary fund type cash and investments are used in the preparation of the statement of cash flows as investments are not allocated to specific funds. Each of these funds' allocation of pooled cash and investments is considered cash and cash equivalents.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Post Employment Health Care Benefits

The City provides 43 percent of certain health care benefits for Dougherty Regional Fire Authority retirees as required under a contract signed with PERS and the dissolution agreement of the Authority. The cost of retiree health care benefits is recognized as an expenditure as premiums are paid. For the year ended June 30, 2002 those costs totaled \$81,007.

J. New Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statement No. 34

The Governmental Accounting Standards Board has issued Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments". This Statement establishes a new financial reporting model for state and local governments. This new model requires that at a minimum the basic financial statements of a government include: (1) Management's discussion and analysis (MD&A) as a component of required supplementary information (RSI), (2) both government-wide financial statements and fund financial statements, (3) notes to the financial statements and (4) RSI other than MD&A.

The implementation of the Statement is mandated in three phases based upon a government's total annual revenues of its governmental and enterprise funds in the fiscal years ending after June 15, 1999.

Phase 1 governments, those with annual revenues of \$100 million or greater will be required to implement for periods beginning after June 15, 2001.

Phase 2 governments, those with annual revenues of \$10 million or more but less than \$100 million will be required to implement for periods beginning after June 15, 2002.

Phase 3 governments, those with annual revenues of less than \$10 million will be required to implement for periods beginning after June 15, 2003.

The Statement also requires that governments capitalize all infrastructure assets, and also include all debt of the government in the Statement of Net Assets. (Although the implementation of the infrastructure assets can be deferred until future years depending on the implementation Phase as noted above).

This will be a complete change in the presentation of government financial statements. The City of San Ramon is a phase 2 government and has begun to develop plans and implement policies to prepare for the implementation of the new reporting model defined within GASB Statement No. 34.

K. Total Columns on Combined Financial Statements

Although each of the City's funds is a separate entity, the Combined Financial Statements also include total columns, which are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation, since no interfund eliminations have been made in the aggregation of this data.

CITY OF SAN RAMON

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 3 - BUDGETS AND BUDGETARY ACCOUNTING

- A. In May of each year, the City Manager submits to the City Council a proposed operating budget for the following fiscal year. This budget includes proposed expenditures, by fund and department, and the revenues expected to finance them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. The budget is legally enacted through passage of a resolution before July 1.
- D. The City Manager is authorized to transfer budgeted amounts between line items within any department; however, any revisions which alter total expenditures of any fund must be approved by the City Council.
- E. Formal budgetary integration is employed as a management control device during the year.
- F. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budget/actual comparisons in this report use this budgetary basis. These budgeted accounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations.

CITY OF SAN RAMON

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 4 - FUND BALANCES, RESERVES, AND DESIGNATIONS

A. Deficits

The following funds have a deficit fund balance at June 30, 2002:

Special Revenue Funds	
Street Maintenance/Improvement	\$ (235,902)
Dougherty Valley	\$ (857,810)

The deficit for these funds will be eliminated through future revenues.

The following funds had expenditures that exceeded budgets in the following amounts:

Special Revenue Funds:	
Street Maintenance/Improvement	\$ 1,504,222
Debt Service Funds:	
COPS #9	3,562
RDA Debt Service	1,270,618
COPS #10	3,899

B. Reserves and Designations

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's fund balance may be reserved or designated for future expenditure.

Designations may be imposed by City Council to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Council action.

CITY OF SAN RAMON

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 4 - FUND BALANCES, RESERVES, AND DESIGNATIONS (Continued)

Portions of fund balance are reserved because they may only be expended for purposes allowed by the law or in accordance with debt indentures. Other reserves signify that these amounts are invested in assets, which are not readily convertible into cash. At June 30, 2002, the reserves included:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Debt Service Funds</u>
Funds required under debt indentures for debt service payments or restricted to allowable capital expenditures				\$ 5,669,420
Funds set aside under redevelopment law for low income housing		\$ 3,873,007		
Reserves which reflect that certain assets are not liquid or available for immediate expenditure:				
Prepays and deposits	\$ 71,702			
Total Reserved Fund Balance	<u>71,702</u>	<u>3,873,007</u>	<u>-</u>	<u>5,669,420</u>
Designated solid waste program	<u>1,638,752</u>			
Unreserved/Undesignated Fund Balances	<u>31,672,558</u>	<u>21,463,199</u>	<u>\$ 133,041</u>	<u>2,256,826</u>
Total Fund Balance	<u>\$33,383,012</u>	<u>\$ 25,336,206</u>	<u>\$ 133,041</u>	<u>\$ 7,926,246</u>

NOTE 5 - CASH AND INVESTMENTS

The City pools cash from all sources and all funds except that held by fiscal agents under debt indentures so that it can be safely invested at maximum yields, consistent with safety and liquidity, while individual funds can make expenditures at any time.

Cash and Investment Summary

The following is a summary of the cash and investments as of June 30, 2002:

Cash	\$ 773,808
Investments	<u>73,945,761</u>
Total	<u>\$ 74,719,569</u>

CITY OF SAN RAMON

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 5 - CASH AND INVESTMENTS (Continued)

A. Cash Deposits and Collateral

	Category			Bank Balance	Carrying Amount
	1	2	3		
Cash and Deposits					
Total Cash and Demand Deposits	<u>\$100,000</u>		<u>\$ 2,185,528</u>	<u>\$ 2,285,528</u>	\$ 768,888
Uncategorized:					
Petty cash					<u>4,920</u>
Total cash					<u>\$ 773,808</u>

California law requires banks and savings and loan institutions to pledge government securities with a market value of 110 percent of the deposit or first trust deed mortgage notes with a value of 150 percent of the deposit as collateral for all municipal deposits. This collateral places the City ahead of general creditors of the institution. The City has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

These categories are as follows:

- Category 1: Cash on hand or insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the City or by its agent in the City's name.
- Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3: Uncollateralized - (This includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name).

B. Categorization of Credit Risk of Securities Instruments

The GASB has issued Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", generally applies to investments in external investment pools (State of California LAIF), investments purchased with maturities greater than one year, mutual funds, and certain investment agreements. Generally, governmental entities need to report the fair value changes for these investments at year-end and record these gains or losses on their income statement.

Methods and assumptions used to estimate fair value: The City maintains investment accounting records on amortized cost and adjusts those records to fair value on an annual basis. The investments held by the City are widely traded in the financial markets and trading values are readily available from numerous published sources. Unrealized gains and losses are recorded on an annual basis and the carrying value of its investments is considered fair value.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 5 - CASH AND INVESTMENTS (Continued)

State of California State Treasurer's Local Agency Investment Fund (LAIF): The City holds an investment in LAIF that is subject to being adjusted to fair value. The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its holdings in LAIF. The City had a contractual withdrawal value of \$3,825,335 whose pro-rata share of fair value was estimated by the State Treasurer to be \$3,835,970. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

The State Treasurer's Local Agency Investment Fund (LAIF) is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of California State officials and various participants, provides oversight to the management of the fund. The daily operation and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The City is a voluntary participant in the investment pool.

California Arbitrage Management Program (CAMP): California Arbitrage Management Program (CAMP) is a trust established as a separate public agency under the California Joint Exercise of Powers Act to provide California Public Agencies with comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt financing. Public Agencies that invest in the investment pool purchase shares of beneficial interest in the pool. The City investment in CAMP is for the Foster Parkway Assessment District.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to maximize security, the City employs the Trust Department of a bank as the custodian of its investments with the U.S. Government or its agencies, regardless of their form.

The City categorizes its individual securities instruments in ascending order to reflect the relative risk of loss of these instruments. This risk is called Credit Risk, the lower the number the lower the risk. The three levels of risk prescribed by accounting principles generally accepted in the United States of America are described below:

- Category 1: Insured or registered for which securities are held by the City or its agent in the City's name.
- Category 2: Uninsured and unregistered for which securities are held by the counter party's trust department or agent in the City's name.
- Category 3: Uninsured and unregistered for which securities are held by the counter party's trust or its trust department or agent but not in the City's name.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 5 - CASH AND INVESTMENTS (Continued)

Pooled Investments - Pooled investments are not categorized because of their pooled, rather than individual, nature.

	Category			Reported Amount at Fair Value
	1	2	3	
Categorized:				
Securities Investments:				
U.S. Government Agencies	\$47,023,163			\$47,023,163
Municipal Bonds	4,242,030			4,242,030
Corporate Notes	15,177,789			15,177,789
	<u>\$66,442,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>66,442,982</u>
Non - Categorized:				
LAIF (1)				3,825,335
Cree Court Bonds				374,127
Wells Fargo Money Market Plus				2,712,386
California Asset Management Program (CAMP)				343,405
First American Treasury Obligations				247,526
Total Investments				<u>\$73,945,761</u>

- (1) The management of the State of California Pooled Money Investment Account (generally referred to as LAIF) has indicated to the City that as of June 30, 2002, the carrying amount of the pool was \$47,719,522,487 and the estimated fair value for the pool was \$47,889,555,193. The City's proportionate share of that value is \$3,825,335. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes, totaling \$921,063,000 and asset-backed securities, totaling \$551,578,000. LAIF's (and the City's) exposure to risk (credit, market or legal) is not currently available.

C. Market Risk and Investment Maturities

The City limits market risk by limiting the types and maturities of its investments and by not borrowing against its investments. Investment yield is ranked after safety and liquidity in making investment decisions. The City's policy is to hold all investments to maturity and maturities are matched to the City's projected cash flow needs. The maturity dates of investments held at June 30 are as follows:

	2002
Available immediately	\$ 8,150,896
Maturities less than one year	11,511,130
Maturities of one to three years	50,692,400
Maturities of three to five years	3,217,208
Maturities over five years	374,127
Total Investments	<u>\$ 73,945,761</u>

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 5 - CASH AND INVESTMENTS (Continued)

D. Authorized Investments

The City's Investment Policy and the California Government Code, allow the City to invest in the following:

- Bonds issued by the City of San Ramon or other local agency of the State of California, provided that the obligations are rated in one of the two highest categories by a nationally recognized rating service.
- U.S. Treasury notes, bonds, bills or other obligations guaranteed as to principal and interest payments.
- Other U.S. Agency obligations, which are guaranteed as to principal and interest payments.
- State of California or local agency bonds.
- Bankers' Acceptances maturing in no more than 270 days, limited in amount to no more than 40 percent of surplus funds in total and no more than 10 percent of surplus funds in any one bank.
- Commercial paper of the highest credit ranking or issued by a corporation with assets exceeding one-half billion dollars and an A or higher credit rating, maturing in no more than 180 days and equaling no more than 10 percent of the corporation's outstanding commercial paper and no more than 15 percent of the City's surplus funds (30 percent if dollar-weighted maturities are no more than 31 days).
- Negotiable certificates of deposit limited in amount to 30 percent of surplus funds and to the net worth of the depository or \$500,000, whichever is greater.
- Repurchase Agreements used solely as short-term investments not to exceed 30 days and subject to required book entry, physical delivery or third-party custodial agreement. In addition, specific collateral conditions must be met.
- Reverse Repurchase Agreements of one year or less, but only with advance approval by City Council.
- Medium-Term Corporate Notes maturing in no more than five years and rated in the top two credit ratings, limited in amount to no more than 30 percent of surplus funds.
- State of California's Local Agency Investment Fund; investments may not exceed \$30 million dollars.
- Shares of beneficial interest issued by diversified management companies funds investing in the above securities and obligations. Specific eligibility requirements must be met, and the purchase price of shares is limited in amount to no more than 15 percent of surplus funds.

NOTE 6 - INTERFUND TRANSACTIONS

A. Interfund Balances

During the normal course of business, individual funds may receive or pay amounts for other funds, giving rise to interfund receivables or payables, which are liquidated shortly after year-end. Interfund balances at June 30, 2002 are as follows:

	Due From	Due To
General Fund	\$ 1,140,199	
Special Revenue Funds:		
Development Mitigation		\$ 222,642
Street Maintenance		259,760
Dougherty Valley		657,544
Debt Service Funds:		
COP #9		253
	<u>\$ 1,140,199</u>	<u>\$ 1,140,199</u>

CITY OF SAN RAMON

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 6 - INTERFUND TRANSACTIONS (Continued)

B. Operating Transfers

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers, called operating transfers, is to reimburse a fund which has made an expenditure on behalf of another fund.

Operating transfers for the year ended June 30, 2002, are summarized as follows:

	Operating Transfers	
	In	Out
General Fund	\$ 861,956	\$ 6,152,408
Special Revenue Funds:		
Street Maintenance/Improvement		
Citywide Light and Landscaping	3,114,494	790,127
Special Zones	235,024	149,770
Canyon Park		583
Dougherty Valley		82,610
GHAD		4,286
Non Point Drainage		214,709
LLEBG	1,344	14,714
RDA Low Income Housing		178,310
	<u>3,350,862</u>	<u>1,435,109</u>
Debt Service Funds:		
COP# 6	76,200	3,294
COP# 7	238,924	
COP# 9	489,320	
COP# 10	1,138,520	
RDA	178,310	
	<u>2,121,274</u>	<u>3,294</u>
Internal Service Fund:		
Equipment Replacement	1,256,719	
Total	<u>\$ 7,590,811</u>	<u>\$ 7,590,811</u>

NOTE 7 - FIXED ASSETS

The City makes capital outlays for general fixed assets and for infrastructure. General fixed assets include land, buildings and equipment used in City operations. Depreciation is not provided on general fixed assets since the cost of these assets is accounted for as an expenditure, reducing fund balance in the year they are acquired.

Infrastructure includes roads, bridges, curbs, sidewalks, drainage systems, street and traffic lights and other improvements used by all citizens. Expenditures for infrastructure are not capitalized.

CITY OF SAN RAMON

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 7 - FIXED ASSETS (Continued)

Changes in fixed assets are shown below:

	Balance June 30, 2001	Additions	Retirements	Balance June 30, 2002
General Fixed Assets				
Land	\$ 35,678,471	\$ 7,089,039		\$ 42,767,510
Buildings and improvements	22,204,174			22,204,174
Park improvements	6,008,842			6,008,842
Total	<u>\$ 63,891,487</u>	<u>\$ 7,089,039</u>	<u>\$ -</u>	<u>\$ 70,980,526</u>
Internal Service Fund				
Machinery and equipment	\$ 8,109,219	\$ 2,253,232	\$ 658,290	\$ 9,704,161
Less accumulated depreciation	<u>(4,757,752)</u>	<u>(961,105)</u>	<u>(578,600)</u>	<u>(5,140,257)</u>
Net Internal Service Fund	<u>\$ 3,351,467</u>	<u>\$ 1,292,127</u>	<u>\$ 79,690</u>	<u>\$ 4,563,904</u>

NOTE 8 - REDEVELOPMENT ACTIVITIES

A. 1994 Tax Allocation Revenue Bonds

The Agency's incremental property tax revenues are pledged for the payment of principal and interest on these Bonds, as discussed at Note 10A.

B. 1998 Tax Allocation Revenue Bonds

The Agency's incremental property tax revenues are pledged for the payment of principal and interest on these Bonds, as discussed at Note 10A.

C. Home Depot OPA

In March 1995, the Agency and Home Depot signed an Owner Participation Agreement under which Home Depot developed a twenty-six acre site on Crow Canyon Road. Development includes the construction of 129,000 square foot Home Depot store and garden center, approximately 20,000 square feet of other retail space, thirty-six condominium units and parking for over seven hundred vehicles.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 8 - REDEVELOPMENT ACTIVITIES (Continued)

Under the Agreement, the Agency passes through to Home Depot the Agency's portion of the incremental property taxes it receives as a result of Home Depot's development, as a reimbursement for grading costs incurred by Home Depot. The maximum which may be reimbursed over the term of the Agreement is \$2,000,000. Annual reimbursements are limited to amounts actually received by the Agency and the Agreement terminates in fifteen years or when total reimbursements equal \$2,000,000, whichever is sooner.

D. Villa San Ramon Phase I & II Loans

In 1993, the Redevelopment Agency loaned Villa San Ramon Limited Partnership the amount of \$585,000 to aid in the financing of the construction of Senior Housing within the Redevelopment area. The principal and interest is due August 1, 2003, or upon sale of the property, whichever is sooner. The loan agreement specified that interest would be accrued and added to the loan balance until the 1998-99 fiscal year. During fiscal year 1998-99 the provision to accrued interest ended and now interest is paid when due. In August 2001, the agreement was amended to assist Phase II with a non-cash subsidy of \$3,806 each month, increasing annually by CPI, in the form of loan forgiveness against \$585,000 promissory note. The amount of the loan outstanding on Phase I as of June 30, 2002, including principal and accrued interest, was \$710,535.

In August 2001, the Redevelopment Agency loaned Villa San Ramon Limited Partnership the amount of \$100,000 to aid in the financing of the construction of Phase II. The agreement specifies that the loan will be repaid in ten years, with interest only payments commencing after five years.

E. Pass-Through Agreements

The Agency has property tax pass-through agreements with Contra Costa County, the County's Flood Control District, and the Library District, the taxing agencies in existence when the Agency was formed. Under these agreements, the Agency passes through to these agencies a portion of the property tax increments it would otherwise have received. In fiscal year 2002, increments totaling \$951,903 were passed through directly to these agencies.

F. Low and Moderate Income Housing

The Agency is required by law to set aside 20 percent of each year's gross property tax increments to increase and improve the City's supply of low- and moderate-income housing.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 9 - EMPLOYEE LOANS RECEIVABLE

Employee Computer Loans

In March 1996, the City established a non-interest bearing computer purchase loan program available to employees. The purpose of this program is to encourage computer ownership resulting in improved computer skills and organizational efficiency. Loans are limited to a maximum of \$3,000 to be repaid in three years. Loan repayments are collected via payroll deduction and any outstanding loan balance must be repaid upon termination of employment. At June 30, 2002, 34 employees had total outstanding loan balances of \$29,982.

NOTE 10 - LONG-TERM DEBT

The City normally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. Since the San Ramon Redevelopment Agency is considered a "blended" component unit, as discussed in Note 1B, the debt of the Agency has been included within this account group. The City's and Agency's debt issues and transactions are summarized below and discussed in detail subsequently.

	Interest Rates	Maturity Date	Principal Balance at July 1, 2001	Additions	Retirements	Principal Balance at June 30, 2002
Redevelopment Agency						
1994 Tax Allocation Bonds	5.75-6.30%	2/1/2024	\$ 8,670,000		\$ 300,000	\$ 8,370,000
1998 Tax Allocation Bonds	3.60-5.30%	2/1/2028	25,970,000		340,000	25,630,000
Certificates of Participation						
1993 COPS #7 Refunding Issue	5.00-5.80%	3/1/2018	2,475,000		90,000	2,385,000
1996 COPS #9 Refunding Issue	3.70-4.75%	8/1/2024	6,855,000		160,000	6,695,000
2001 COPS #10 Refunding Issue	3.50-4.625%	3/1/2016	13,970,000		470,000	13,500,000
Compensated Absences			1,255,616	\$ 182,716		1,438,332
			<u>\$ 59,195,616</u>	<u>\$ 182,716</u>	<u>\$ 1,360,000</u>	<u>\$ 58,018,332</u>

A. San Ramon Public Financing Authority Tax Allocation Revenue Bonds (Redevelopment Agency)

On May 27, 1994, the 1994 Tax Allocation Revenue Bonds were issued to advance refund the 1990 Tax Allocation Revenue Bonds and to partially repay the long-term advance from the City to the Redevelopment Agency. Interest on the Bonds is payable semiannually on February 1 and August 1. Principal is payable each February 1. Bonds maturing on or after August 1, 2004 are subject to call on any interest payment date at par plus a premium of up to 2 percent. Term bonds maturing February 1, 2024 are subject to mandatory sinking fund redemption at par commencing February 1, 2005.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 10 - LONG-TERM DEBT (Continued)

On April 1, 1998, the San Ramon Public Financing Authority issued the 1998 Tax Allocation Revenue Bonds in the aggregate principal amount of \$26,920,000 pursuant to the Marks-Roos Local Bond Pooling Act of 1985. The proceeds were issued to defease \$6,840,000 of the 1994 Tax Allocation Revenue Bonds, repay the advance from the City of San Ramon and fund redevelopment capital projects. Funds deposited to defease the 1994 revenue bonds, together with the interest earned thereon, are intended to be fully sufficient to redeem the bonds as they become due through August 1, 2004. Accordingly, this portion of the 1994 bonds are considered defeased and are not recorded in these financial statements.

Interest on the Bonds accrues at 3.6 to 4.9 percent and is payable semiannually on February 1 and August 1. Principal is payable each February 1. The Bonds are payable solely from the Redevelopment Agency's tax increment revenues.

B. Certificates of Participation

On March 1, 1991, the City issued \$15,000,000 of refunding Certificates of Participation. These certificates were issued to advance refund the City's 1986 and 1989 Certificates of Participation to take advantage of the substantially lower prevailing interest rates. The 1986 Certificate of Participation of \$6,750,000 was used to fund the City's Community Center and the San Ramon Library. The 1989 Certificate of Participation of \$5,800,000 financed the Central Park expansion, funded the Crow Canyon interchange improvements and the purchase of the City offices. Interest on the bonds is payable semiannually on September 1 and March 1. Principal is payable each March 1. On September 1, 2001, all of the 1991 certificates were refunded to take advantage of lower interest rates.

On February 1, 2001, the City issued \$13,970,000 of refunding certificates of participation. These certificates were issued to advance refund the 1991 certificates of participation to take advantage of substantially lower interest rates. The proceeds of the 1991 certificates of participation were issued to advance refund the 1986 and 1989 certificates of participation. The proceeds from the 1986 and 1989 certificates of participation were used to fund the City's community center, San Ramon Library, Central Park expansion, Crow Canyon interchange improvements and to purchase City offices.

On July 1, 1993, the City issued \$3,000,000 of refunding Certificates of Participation. These certificates were issued to refund a 1987 Certificate of Participation and restructure the debt for economic reasons. The 1987 Certificate of Participation was used to finance the expansion of the City offices, design and construction of the Senior Center and Service Center, and the completion of park improvements throughout the City. Interest on the bonds is payable semiannually on September 1 and March 1. Principal is payable each March 1.

On January 1, 1996, the City issued \$7,555,000 of refunding Certificates of Participation to take advantage of lower prevailing interest rates. The proceeds were used to advance refund the 1994 San Ramon Central Park North Expansion Certificates of Participation. The proceeds were issued to expand the City of San Ramon Central Park by financing the acquisition of 13.8 acres of land.

CITY OF SAN RAMON

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 10 - LONG-TERM DEBT (Continued)

C. Compensated Absences

The long-term portion of compensated absences amounted to \$1,438,332 at June 30, 2002.

D. Repayment Requirements

The following is a schedule of required principal payments related to bonded debt during the next five fiscal years and thereafter:

Year Ending June 30	1994 Tax Allocation Bonds			1998 Tax Allocation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 320,000	\$ 573,250	\$ 893,250	\$ 355,000	\$ 1,311,946	\$ 1,666,946
2004	340,000	553,410	893,410	370,000	1,297,303	1,667,303
2005	190,000	531,990	721,990	565,000	1,281,762	1,846,762
2006	205,000	518,880	723,880	590,000	1,257,750	1,847,750
2007	220,000	504,735	724,735	615,000	1,232,380	1,847,380
Thereafter	7,095,000	5,412,360	12,507,360	23,135,000	15,679,166	38,814,166
Total	<u>\$ 8,370,000</u>	<u>\$ 8,094,625</u>	<u>\$ 16,464,625</u>	<u>\$ 25,630,000</u>	<u>\$ 22,060,307</u>	<u>\$ 47,690,307</u>

Year Ending June 30	2001 COPS #10 Refunding			1993 COPS #7 Refunding		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 485,000	\$ 597,605	\$ 1,082,605	\$ 95,000	\$ 140,730	\$ 235,730
2004	500,000	580,630	1,080,630	100,000	135,600	235,600
2005	520,000	561,880	1,081,880	105,000	130,100	235,100
2006	540,000	542,380	1,082,380	110,000	124,220	234,220
2007	560,000	520,780	1,080,780	120,000	117,950	237,950
Thereafter	10,895,000	4,260,518	15,155,518	1,855,000	731,450	2,586,450
Total	<u>\$ 13,500,000</u>	<u>\$ 7,063,793</u>	<u>\$ 20,563,793</u>	<u>\$ 2,385,000</u>	<u>\$ 1,380,050</u>	<u>\$ 3,765,050</u>

Year Ending June 30	1996 COPS #9 Refunding			All Bonded General Long Term Debt		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 165,000	\$ 328,098	\$ 493,098	\$ 1,420,000	\$ 2,951,629	\$ 4,371,629
2004	170,000	320,643	490,643	1,480,000	2,887,586	4,367,586
2005	180,000	312,678	492,678	1,560,000	2,818,410	4,378,410
2006	185,000	304,143	489,143	1,630,000	2,747,373	4,377,373
2007	195,000	294,875	489,875	1,710,000	2,670,720	4,380,720
Thereafter	5,800,000	2,987,750	8,787,750	48,780,000	29,071,244	77,851,244
Total	<u>\$ 6,695,000</u>	<u>\$ 4,548,187</u>	<u>\$ 11,243,187</u>	<u>\$ 56,580,000</u>	<u>\$ 43,146,962</u>	<u>\$ 99,726,962</u>

CITY OF SAN RAMON

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 10 - LONG-TERM DEBT (Continued)

E. Repayment Sources

The Tax Allocation Revenue Bonds are repayable from tax increment revenues of the Redevelopment Agency.

Certificates of Participation are generally repayable from General City Operations revenues.

F. Debt Service Reserves with Trustees

The City is required to maintain amounts of Restricted Cash and Investments with trustees or fiscal agents under the terms of certain debt issues. These funds are pledged as reserves to be used if the City fails to meet its obligations under the debt issues and as payment accounts to pay future principal and interest. At June 30, 2002, debt service reserves and payment funds were comprised of:

City/Agency Debt Service Reserves and Payment Accounts

Redevelopment Agency Tax Allocation Bonds

1994 Tax Allocation Revenue Bonds	\$ 899,282
1998 Tax Allocation Revenue Bonds	2,678,119

City Certificate of Participation

1991 Certificates of Participation # 6	5
1993 Certificates of Participation # 7	492,671
1996 Certificates of Participation # 9	500,766
2001 Certificates of Participation # 10	1,098,577
	<u>\$ 5,669,420</u>

G. Special Assessment District Debt with No City Commitment

The Fostoria Parkway Assessment District has issued debt to finance infrastructure improvements and facilities within its boundaries. The City is the collecting and paying agent for the debt issued by this District, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included in general long-term debt of the City. The outstanding balance of this issue as of June 30, 2002 was \$845,000.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 10 - LONG-TERM DEBT (Continued)

H. Cree Court Assessment District

The Cree Court Assessment District has issued debt to finance infrastructure improvements and facilities within its boundaries. The City is the collecting and paying agent for the debt issued by this District, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included in the general long-term debt of the City. The outstanding balance of this issue as of June 30, 2002 was \$374,127.

I. Defeased Certificates of Participation

On January 1, 1996, the City issued \$7,555,000 of refunding certificates of participation that were used to advance refund the 1994 San Ramon Central Park North Expansion Certificates of Participation. At the time of the refunding, \$6,000,000 of certificates of participation were outstanding. The City used the proceeds of the 1996 refunding issue to procure United States Treasury securities that were deposited in an irrevocable escrow for the redemption of the outstanding 1994 certificates. The treasury securities and their interest earnings will be used to pay the interest and redeem the 1994 certificates as they become due through August 1, 2004, at which time all the remaining certificates will be called and redeemed. The transaction is considered a bona fide defeasance and the 1994 certificates are no longer shown as general long-term debt of the City. As of June 30, 2002, \$5,435,000 of certificates had not been redeemed.

On April 1, 1998 the City issued \$26,920,000 of tax allocation bonds that were used to partially advance refund the 1994 Tax Allocation Revenue Bonds. At the time of the refunding, \$6,840,000 of revenue bonds were refunded. The City used part of the proceeds of the 1998 refunding issue to procure United States Treasury securities that were deposited in an irrevocable escrow for the redemption of the outstanding 1994 bonds. The treasury securities and their interest earnings will be used to pay the interest and redeem the 1994 bonds as they become due through August 1, 2004. At that time, all the remaining certificates will be called and redeemed. The transaction is considered a bona fide defeasance and the 1994 bonds refunded are no longer shown as general long-term debt of the City. As of June 30, 2002, \$6,840,000 of certificates had not been redeemed.

On February 1, 2001, the City issued \$13,970,000 of refunding certificates of participation that were used to advance refund the 1991 certificates of participation. At the time of refunding, \$13,005,000 of the certificates were outstanding. The City used the proceeds of the 2001 refunding issue to procure United States Treasury securities that were deposited in an irrevocable escrow for the redemption of the 1991 certificates. The treasury securities and their interest earnings will be used to pay interest and redeem the 1991 certificates as they become due. The transaction is considered a bona fide defeasance and the 1991 certificates are no longer shown as general long-term debt of the City. As of June 30, 2002, all of the certificates have been redeemed.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 11 - CITY DEVELOPMENT AGREEMENTS

A. Housing Agreements

- Bollinger Crest Apartment Investors, LLC.

In March 1998 the City entered into an Affordable Housing Agreement with Bollinger Crest Apartment Investors, LLC. The agreement provides for various restrictions on the project to facilitate the rental of housing units to qualifying low- and moderate-income residents. The agreement calls for a subsidy grant of \$266,000 from the City to the 65-unit housing project along with a deferment of development fees amounting to \$40,000. The grant was recorded as an expenditure of housing funds. The deferred fees are expected to become payable to the City at the expiration of the term of the agreement which is 15 years. Since they are not readily available resources, the deferred fees are shown as a note receivable with an offsetting deferred revenue as of June 30, 2002. The amount of the note outstanding as of June 30, 2002, was \$245,392.

In September 1998, the agreement was amended to include two loans, which total \$225,000. The loans were made to finance the cost of construction improvements on land that is partially City-owned. The loans of \$125,000 and \$100,000 accrue interest of 2.5 percent per year and are payable in annual installments of \$10,000 and \$8,000, respectively. As of June 30, 2002, the principal outstanding balances on the loans are \$114,283 and \$91,109.

- Braddock & Logan Group, L.P.

In June 1996 the City entered into an Affordable Housing Agreement with Braddock & Logan Group, L.P. The agreement provides for various restrictions on the project to facilitate the rental of housing units to qualifying low- and moderate-income residents. The agreement calls for the City to assist the Developer's efforts to obtain tax-exempt financing for the 35-unit multi-family housing project to be known as Park Place. In addition, the City agreed to defer payment by refunding to the Developer 50 percent of all City fees that would otherwise be payable by the Developer to the extent that such fees are allocable to the low-income housing units and not to exceed \$40,000. The deferred fees are expected to become payable to the City at the expiration of the term of the agreement which is 15 years. As of June 30, 2002, the City has not refunded any fees under the deferral agreement.

- Greystone Homes, Inc.

In January 1996 the City entered into an Affordable Housing Agreement with Greystone Homes, Inc. The agreement provides for various restrictions on the project to facilitate the affordability of housing units to qualifying low- and moderate-income residents. The agreement calls for the reduction of the purchase price of affordable units by \$5,000. Upon initial sale of each affordable unit, the homebuyer will execute a promissory note to the City for \$9,925, accruing annually compounded interest at 3 percent for a term not to exceed 30 years. The homebuyer agrees to repay the note upon sale or transfer of the affordable unit. For each note, \$4,925 represents the deferred payment of the San Ramon Valley Boulevard Widening Fee. The amount of notes outstanding as of June 30, 2002 amounted to \$59,550. It is not readily known when the notes will be paid off. For this reason, the note receivables are shown with an offsetting deferred revenue as of June 30, 2002.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 11 - CITY DEVELOPMENT AGREEMENTS (Continued)

- Braddock & Logan Group, L.P.

In November 1998 the City entered into an affordable Housing Agreement with Braddock & Logan Group, L.P. The agreement calls for various restrictions on the Porter/Muir (re-named Cambria) project to facilitate the affordability of housing units to moderate- and very low-income households. The agreement calls for the City to pay \$412,000 over five years to the developer in exchange for rental of two properties to very low-income households. This obligation will be paid from the "Low/Moderate Housing" fund.

In addition, the agreement calls for the reduction of the purchase price of eight units to the level affordable by moderate-income households and the purchase price of three units to be affordable to very low-income households. The homebuyer will execute a promissory note to the City to be repaid upon the sale of the home to a non-qualified individual for the difference between the "market price" and the sale price of the home. Funds received from these homebuyer notes will be deposited in the "Low/Moderate Housing" fund. After 30 years the loans will be cancelled if a qualified household owns the property.

B. Bishop Ranch Agreement

In October 1987, the City entered into an annexation and development agreement with Sunset Development Company (et al) relative to the development known as Bishop Ranch. The agreement was subsequently amended three different times (Sept. 1991, Sept. 1996 and May 1998). The agreement and amendments outline provisions for the development of the 585-acre business park community known as Bishop Ranch. The development included the installation of numerous public improvements that serve both the project and adjoining areas of the City.

In the third amendment, the developer of Bishop Ranch agreed to dedicate approximately 11 acres of land to the City when building permits are obtained for the fourth building of their BR3 office project or by June 30, 2002, whichever occurs first. This transaction was consummated on June 29, 2001. After the land's initial dedication and if the City decides to sell the property at any time prior to December 31, 2010, the developer may purchase the 11 acres from the City for \$7,500,000 (with a cost of living escalation clause).

In addition, the third amendment provides that the developer receive a development fee credit up to \$5 million, of which \$3 million was considered used to satisfy the developer's initial obligations under Amendment No. 2. In the fiscal year ended June 30, 2002, the developer used the remaining \$2 million of the fee credits for its first building of the BR3 office project. The use of this \$2 million is not reflected in the statement of revenues and expenditures.

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 12 - PERS PENSION PLAN

A. Plan Description

The City of San Ramon's defined benefit pension plan (Miscellaneous Plan) provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the Public Employees' Retirement Law. The City of San Ramon selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance or resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS's annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, California, 95814.

B. Funding Policy

Active plan members in the Miscellaneous Plan are required to contribute 7 percent of their annual covered salary. The City makes the contribution required of City employees on their behalf and for their account. The City of San Ramon is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2001-2002 was 1.466 percent for miscellaneous employees (the City of San Ramon has only miscellaneous employees). The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

C. Annual Pension Cost

For fiscal year 2001-2002, the City of San Ramon's annual pension cost was \$805,427 and was equal to the City's required and actual contributions. The required contribution for fiscal year 2001-2002 was determined as part of the June 30, 2001, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included: (a) 8.25 percent investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.75 percent to 14.20 percent for miscellaneous members; and (c) zero percent cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5 percent. The actuarial value of the Miscellaneous Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. Miscellaneous Plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period ends June 30, 2011.

CITY OF SAN RAMON

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 12 - PERS PENSION PLAN (Continued)

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2000	\$ 761,235	100%	\$0
6/30/2001	\$ 795,795	100%	\$0
6/30/2002	\$ 805,427	100%	\$0

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>* UAAL As a % of Payroll</u>
6/30/1999	\$10,898,625	\$ 14,718,533	\$ (3,819,908)	135.0%	\$ 6,602,682	(57.854%)
6/30/2000	\$14,008,965	\$ 17,104,243	\$ (3,095,278)	122.1%	\$ 7,899,201	(39.185%)
6/30/2001	\$16,098,232	\$ 18,840,481	\$ (2,742,249)	117.0%	\$ 8,332,073	(32.900%)

* Unfunded Actuarial Accrued Liability.

NOTE 13 - RISK MANAGEMENT

A. Contra Costa County Municipal Risk Management Insurance Authority

The City is a member of the Contra Costa County Municipal Risk Management Insurance Authority. The Authority provides coverage against the following types of loss risks under the terms of a joint-powers agreement with the City and several other cities as follows:

<u>Type of Coverage (Deductible)</u>	<u>Coverage Limits</u>
Liability (\$5,000)	\$ 15,000,000
Auto - Physical damage (\$3,000 for police vehicles, \$2,000 for all others)	250,000
Workers' Compensation (no deductible)	Statutory
All Risk Fire & Property (\$5,000)	500,000,000
Boiler & Machinery (\$5,000)	100,000,000
Earthquake (5% deductible)	25,000,000

CITY OF SAN RAMON

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2002

NOTE 13 - RISK MANAGEMENT (Continued)

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with the Authority are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements may be obtained from the Authority at 1911 San Miguel Drive, Suite 200, Walnut Creek, California 94596.

B. Liability for Uninsured Claims

The City has retained the risk for the deductible, or uninsured portion of the above claims. The City's liability for uninsured claims was computed as follows at June 30, 2002:

	2002	2001
Beginning Balance	\$ 75,000	\$ 75,000
Liability for claims	5,135	38,123
Claims paid	(5,135)	(38,123)
Ending Balance	<u>\$ 75,000</u>	<u>\$ 75,000</u>

NOTE 14 - CONTINGENT LIABILITIES

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no pending litigation, which is likely to have a material adverse effect on the financial position of the City.

The City participates in Federal and State grant programs. These programs are subject to examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

CITY OF SAN RAMON

**COMBINING BALANCE SHEETS
SPECIAL REVENUE FUNDS
JUNE 30, 2002**

	Gas Tax	Traffic Improvement	Street Maintenance/ Improvement	Development Mitigation
ASSETS				
Cash and investments	\$ 1,610,058	\$13,430,420		\$ 1,845,051
Receivable:				
Accounts		715,690	\$ 9,997	54
Interest	1,192	151,991	14,090	20,884
Prepays and deposits				
Loan receivable			29,550	
Total Assets	<u>\$ 1,611,250</u>	<u>\$14,298,101</u>	<u>\$ 53,637</u>	<u>\$ 1,865,989</u>
LIABILITIES				
Accounts payable	270,947	304,568	229	1,720
Salary and benefits payable				
Due to other funds			259,760	222,642
Deposits payable				
Deferred revenue			29,550	
Total Liabilities	<u>270,947</u>	<u>304,568</u>	<u>289,539</u>	<u>224,362</u>
FUND EQUITY				
Fund balances				
Reserved				
Unreserved				
Undesignated	1,340,303	13,993,533	(235,902)	1,641,627
Total Fund Equity	<u>1,340,303</u>	<u>13,993,533</u>	<u>(235,902)</u>	<u>1,641,627</u>
Total Liabilities and Fund Equity	<u>\$ 1,611,250</u>	<u>\$14,298,101</u>	<u>\$ 53,637</u>	<u>\$ 1,865,989</u>

Park Development	SCC JEPA Traffic	RDA/Low Income Housing	City Wide Light and Landscaping	Special Landscape Zones	Non-Point Drainage District	Canyon Park	GHAD
\$ 1,225,956	\$2,209,079	\$3,138,060	\$ 224,308	\$ 835,318	\$ 32,590	\$ 69,651	\$ 385,743
	391,388		5,545	425	325,311		
13,877	25,004	35,354	1,447	11,153	2,798	795	4,415
		1,796,772					
<u>\$ 1,239,833</u>	<u>\$2,625,471</u>	<u>\$4,970,186</u>	<u>\$ 231,300</u>	<u>\$ 846,896</u>	<u>\$ 360,699</u>	<u>\$ 70,446</u>	<u>\$ 390,158</u>
6,743	1,255	6,852	166,703	57,997	6,159	1,493	1,225
		4,089	62,443	2,863	9,510	70	1,703
		1,086,238					
<u>6,743</u>	<u>1,255</u>	<u>1,097,179</u>	<u>229,146</u>	<u>60,860</u>	<u>15,669</u>	<u>1,563</u>	<u>2,928</u>
		3,873,007					
<u>1,233,090</u>	<u>2,624,216</u>		<u>2,154</u>	<u>786,036</u>	<u>345,030</u>	<u>68,883</u>	<u>387,230</u>
<u>1,233,090</u>	<u>2,624,216</u>	<u>3,873,007</u>	<u>2,154</u>	<u>786,036</u>	<u>345,030</u>	<u>68,883</u>	<u>387,230</u>
<u>\$ 1,239,833</u>	<u>\$2,625,471</u>	<u>\$4,970,186</u>	<u>\$ 231,300</u>	<u>\$ 846,896</u>	<u>\$ 360,699</u>	<u>\$ 70,446</u>	<u>\$ 390,158</u>

CITY OF SAN RAMON

COMBINING BALANCE SHEETS (Continued)
SPECIAL REVENUE FUNDS
JUNE 30, 2002

	Dougherty Valley	Tri-Valley Transportation	LCL Law Enforcement Block Grant	TOTALS	
				2002	2001
ASSETS					
Cash and investments		\$ 131,801	\$ 1,540	\$25,139,575	\$26,068,934
Receivable:					
Accounts				1,448,410	642,538
Interest		1,492		284,492	332,830
Prepays and deposits					21,960
Loan receivable				1,826,322	1,836,703
Total Assets	\$ -	\$ 133,293	\$ 1,540	\$28,698,799	\$28,902,965
LIABILITIES					
Accounts payable	94,358	24		920,273	1,619,757
Salary and benefits payable	10,392			91,070	75,326
Due to other funds	657,544			1,139,946	421,208
Deposits payable	95,516			95,516	95,516
Deferred revenue				1,115,788	1,088,108
Total Liabilities	857,810	24		3,362,593	3,299,915
FUND EQUITY					
Fund balances					
Reserved				3,873,007	3,317,855
Unreserved					
Undesignated	(857,810)	133,269	1,540	21,463,199	22,285,195
Total Fund Equity	(857,810)	133,269	1,540	25,336,206	25,603,050
Total Liabilities and Fund Equity	\$ -	\$ 133,293	\$ 1,540	\$28,698,799	\$28,902,965

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

(With Comparative Totals for the Fiscal Year Ended June 30, 2001)

	Gas Tax	Traffic Improvement	Street Maintenance/ Improvement	Development Mitigation
REVENUES				
Property taxes				
Use of money and property	\$ (5,001)	\$ 879,965	\$ 60,352	\$ 111,287
Intergovernmental sources	871,029	291,227	696,505	
Developer fees		462,944	29,550	275,067
Special district assessments				
Other revenues		103,347		
Total Revenues	866,028	1,737,483	786,407	386,354
EXPENDITURES				
Current:				
General government				
Development services				
Redevelopment activities				
Public safety				
Public services				
Capital outlay	324,335	2,815,421	1,504,222	5,274
Total Expenditures	324,335	2,815,421	1,504,222	5,274
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	541,693	(1,077,938)	(717,815)	381,080
OTHER FINANCING SOURCES (USES)				
Operating transfers in				
Operating transfers out				
Total Other Financing Sources (Uses)				
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	541,693	(1,077,938)	(717,815)	381,080
Fund Balances, Beginning of Year	798,610	15,071,471	481,913	1,260,547
Fund Balances, End of Year	\$1,340,303	\$ 13,993,533	\$ (235,902)	\$ 1,641,627

<u>Park Development</u>	<u>SCC JEPA Traffic</u>	<u>RDA/Low Income Housing</u>	<u>City Wide Light and Landscaping</u>	<u>Special Landscape Zones</u>	<u>Non-Point Drainage District</u>	<u>Canyon Park</u>	<u>GHAD</u>
		\$ 1,128,665					
\$ 79,055	\$ 141,706	216,420	\$ 4,983	\$ 51,929	\$ 14,311	\$ 3,961	\$ 21,937
			24,910				
12,990	604,152					21,801	
			1,304,158	873,270	729,563		128,546
		42,770	655	641			
<u>92,045</u>	<u>745,858</u>	<u>1,387,855</u>	<u>1,334,706</u>	<u>925,840</u>	<u>743,874</u>	<u>25,762</u>	<u>150,483</u>
			46,934		221		
					113,926	3,175	23,373
		654,393					
			3,731,603	1,015,948	373,668		
<u>144,456</u>	<u>179,235</u>						
<u>144,456</u>	<u>179,235</u>	<u>654,393</u>	<u>3,778,537</u>	<u>1,015,948</u>	<u>487,815</u>	<u>3,175</u>	<u>23,373</u>
<u>(52,411)</u>	<u>566,623</u>	<u>733,462</u>	<u>(2,443,831)</u>	<u>(90,108)</u>	<u>256,059</u>	<u>22,587</u>	<u>127,110</u>
			3,114,494	235,024			
		(178,310)	(790,127)	(149,770)	(214,709)	(583)	(4,286)
		(178,310)	2,324,367	85,254	(214,709)	(583)	(4,286)
(52,411)	566,623	555,152	(119,464)	(4,854)	41,350	22,004	122,824
<u>1,285,501</u>	<u>2,057,593</u>	<u>3,317,855</u>	<u>121,618</u>	<u>790,890</u>	<u>303,680</u>	<u>46,879</u>	<u>264,406</u>
<u>\$ 1,233,090</u>	<u>\$ 2,624,216</u>	<u>\$ 3,873,007</u>	<u>\$ 2,154</u>	<u>\$ 786,036</u>	<u>\$ 345,030</u>	<u>\$ 68,883</u>	<u>\$ 387,230</u>

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)**

SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

(With Comparative Totals for the Fiscal Year Ended June 30, 2001)

	Dougherty Valley	Tri-Valley Transportation	LCL Law Enforcement Block Grant	TOTALS	
				2002	2001
REVENUES					
Property taxes				\$ 1,128,665	\$ 950,765
Use of money and property	\$ (29,086)	\$ 8,226	\$ 1,474	1,561,519	2,261,501
Intergovernmental sources	2,144		13,436	1,899,251	2,454,873
Developer fees		21,408		1,427,912	1,238,862
Special district assessments	124,021			3,159,558	2,945,946
Other revenues				147,413	30,211
Total Revenues	97,079	29,634	14,910	9,324,318	9,882,158
EXPENDITURES					
Current:					
General government				221	1,874,562
Development services				187,408	360,716
Redevelopment activities				654,393	
Public safety	183,376			183,376	61,632
Public services	387,355			5,508,574	3,047,850
Capital outlay				4,972,943	6,700,793
Total Expenditures	570,731			11,506,915	12,045,553
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(473,652)	29,634	14,910	(2,182,597)	(2,163,395)
OTHER FINANCING SOURCES (USES)					
Operating transfers in			1,344	3,350,862	3,283,895
Operating transfers out	(82,610)		(14,714)	(1,435,109)	(1,204,994)
Total Other Financing Sources (Uses)	(82,610)		(13,370)	1,915,753	2,078,901
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(556,262)	29,634	1,540	(266,844)	(84,494)
Fund Balances, Beginning of Year	(301,548)	103,635		25,603,050	25,687,544
Fund Balances, End of Year	\$ (857,810)	\$ 133,269	\$ 1,540	\$ 25,336,206	\$25,603,050

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Gas Tax		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property taxes			
Use of money and property	\$ 40,968	\$ (5,001)	\$ (45,969)
Intergovernmental sources	859,650	871,029	11,379
Developer fees			
Special district assessments			
Other revenues			
Total Revenues	900,618	866,028	(34,590)
EXPENDITURES			
Current:			
General government			
Development services			
Redevelopment activities			
Public safety			
Public services			
Capital outlay	2,080,000	324,335	1,755,665
Total Expenditures	2,080,000	324,335	1,755,665
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,179,382)	541,693	1,721,075
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Operating transfers out			
Total Other Financing Sources (Uses)			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (1,179,382)	541,693	\$ 1,721,075
Fund Balances, Beginning of Year		798,610	
Fund Balances, End of Year		\$ 1,340,303	

Traffic Improvement			Street Maintenance/ Improvement		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 544,126	\$ 879,965	\$ 335,839	\$ 21,465	\$ 60,352	\$ 38,887
	291,227	291,227	450,000	696,505	246,505
1,204,000	462,944	(741,056)		29,550	29,550
	103,347	103,347			
1,748,126	1,737,483	(10,643)	471,465	786,407	314,942
8,015,551	2,815,421	5,200,130		1,504,222	(1,504,222)
8,015,551	2,815,421	5,200,130		1,504,222	(1,504,222)
(6,267,425)	(1,077,938)	5,189,487	471,465	(717,815)	(1,189,280)
<u>\$ (6,267,425)</u>	<u>(1,077,938)</u>	<u>\$ 5,189,487</u>	<u>\$ 471,465</u>	<u>(717,815)</u>	<u>\$ (1,189,280)</u>
	15,071,471			481,913	
	<u>\$ 13,993,533</u>			<u>\$ (235,902)</u>	

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Development Mitigation		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property taxes			
Use of money and property	\$ 54,344	\$ 111,287	\$ 56,943
Intergovernmental sources			
Developer fees	155,812	275,067	119,255
Special district assessments			
Other revenues			
Total Revenues	210,156	386,354	176,198
EXPENDITURES			
Current:			
General government			
Development services			
Redevelopment activities			
Public safety			
Public services			
Capital outlay	185,050	5,274	179,776
Total Expenditures	185,050	5,274	179,776
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	25,106	381,080	355,974
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Operating transfers out			
Total Other Financing Sources (Uses)			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 25,106	381,080	\$ 355,974
Fund Balances, Beginning of Year		1,260,547	
Fund Balances, End of Year		\$ 1,641,627	

Park Development			SCC JEPA Traffic		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 51,475	\$ 79,055	\$ 27,580	\$ 117,202	\$ 141,706	\$ 24,504
170,000	12,990	(157,010)	2,812,000	604,152	(2,207,848)
221,475	92,045	(129,430)	2,929,202	745,858	(2,183,344)
701,086	144,456	556,630	1,038,638	179,235	859,403
701,086	144,456	556,630	1,038,638	179,235	859,403
(479,611)	(52,411)	427,200	1,890,564	566,623	(1,323,941)
<u>\$ (479,611)</u>	<u>(52,411)</u>	<u>\$ 427,200</u>	<u>\$ 1,890,564</u>	<u>566,623</u>	<u>\$ (1,323,941)</u>
	1,285,501			2,057,593	
	<u>\$ 1,233,090</u>			<u>\$ 2,624,216</u>	

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	RDA/Low Income Housing		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property taxes	\$ 1,040,025	\$ 1,128,665	\$ 88,640
Use of money and property	133,437	216,420	82,983
Intergovernmental sources			
Developer fees			
Special district assessments			
Other revenues		42,770	42,770
Total Revenues	1,173,462	1,387,855	214,393
EXPENDITURES			
Current:			
General government			
Development services			
Redevelopment activities	1,014,948	654,393	360,555
Public safety			
Public services			
Capital outlay			
Total Expenditures	1,014,948	654,393	360,555
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	158,514	733,462	574,948
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Operating transfers out	(178,310)	(178,310)	
Total Other Financing Sources (Uses)	(178,310)	(178,310)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (19,796)	555,152	\$ 574,948
Fund Balances, Beginning of Year		3,317,855	
Fund Balances, End of Year		\$ 3,873,007	

City Wide Light and Landscaping			Special Landscape Zones		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 334	\$ 4,983	\$ 4,649	\$ 28,082	\$ 51,929	\$ 23,847
24,386	24,910	524			
1,329,489	1,304,158	(25,331)	869,896	873,270	3,374
	655	655		641	641
1,354,209	1,334,706	(19,503)	897,978	925,840	27,862
44,692	46,934	(2,242)			
4,492,564	3,731,603	760,961	1,271,792	1,015,948	255,844
4,537,256	3,778,537	758,719	1,271,792	1,015,948	255,844
(3,183,047)	(2,443,831)	739,216	(373,814)	(90,108)	283,706
3,646,425	3,114,494	(531,931)	181,812	235,024	53,212
(800,554)	(790,127)	10,427	(181,812)	(149,770)	32,042
2,845,871	2,324,367	(521,504)		85,254	85,254
<u>\$ (337,176)</u>	(119,464)	<u>\$ 217,712</u>	<u>\$ (373,814)</u>	(4,854)	<u>\$ 368,960</u>
	121,618			790,890	
	<u>\$ 2,154</u>			<u>\$ 786,036</u>	

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Non-Point Drainage District		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property taxes			
Use of money and property	\$ 2,669	\$ 14,311	\$ 11,642
Intergovernmental sources			
Developer fees			
Special district assessments	683,174	729,563	46,389
Other revenues			
Total Revenues	685,843	743,874	58,031
EXPENDITURES			
Current:			
General government	220	221	(1)
Development services	179,814	113,926	65,888
Redevelopment activities			
Public safety			
Public services	436,745	373,668	63,077
Capital outlay			
Total Expenditures	616,779	487,815	128,964
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	69,064	256,059	186,995
OTHER FINANCING SOURCES (USES)			
Operating transfers in	2,651		(2,651)
Operating transfers out	(239,316)	(214,709)	24,607
Total Other Financing Sources (Uses)	(236,665)	(214,709)	21,956
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (167,601)	41,350	\$ 208,951
Fund Balances, Beginning of Year		303,680	
Fund Balances, End of Year		\$ 345,030	

Canyon Park			GHAD		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,329	\$ 3,961	\$ 1,632	\$ 7,500	\$ 21,937	\$ 14,437
22,665	21,801	(864)	201,431	128,546	(72,885)
24,994	25,762	768	208,931	150,483	(58,448)
12,572	3,175	9,397	168,341	23,373	144,968
12,572	3,175	9,397	168,341	23,373	144,968
12,422	22,587	10,165	40,590	127,110	86,520
(1,366)	(583)	783	(18,288)	(4,286)	14,002
(1,366)	(583)	783	(18,288)	(4,286)	14,002
<u>\$ 11,056</u>	22,004	<u>\$ 10,948</u>	<u>\$ 22,302</u>	122,824	<u>\$ 100,522</u>
	46,879			264,406	
	<u>\$ 68,883</u>			<u>\$ 387,230</u>	

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Dougherty Valley		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property taxes			
Use of money and property	\$ (5,308)	\$ (29,086)	\$ (23,778)
Intergovernmental sources	759,472	2,144	(757,328)
Developer fees			
Special district assessments		124,021	124,021
Other revenues			
Total Revenues	754,164	97,079	(657,085)
EXPENDITURES			
Current:			
General government			
Development services	292,561		292,561
Redevelopment activities			
Public safety	351,474	183,376	168,098
Public services	682,593	387,355	295,238
Capital outlay			
Total Expenditures	1,326,628	570,731	755,897
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(572,464)	(473,652)	98,812
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Operating transfers out	(171,607)	(82,610)	88,997
Total Other Financing Sources (Uses)	(171,607)	(82,610)	88,997
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (744,071)	(556,262)	\$ 187,809
Fund Balances, Beginning of Year		(301,548)	
Fund Balances, End of Year		\$ (857,810)	

Tri-Valley Transportation			LCL Law Enforcement Block Grant		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,153	\$ 8,226	\$ 3,073		\$ 1,474	\$ 1,474
29,600	21,408	(8,192)		13,436	13,436
34,753	29,634	(5,119)		14,910	14,910
34,753	29,634	(5,119)		14,910	14,910
				1,344	1,344
				(14,714)	(14,714)
				(13,370)	(13,370)
\$ 34,753	29,634	\$ (5,119)	\$ -	1,540	\$ 1,540
	103,635				
	\$ 133,269			\$ 1,540	

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Total		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 1,040,025	\$ 1,128,665	\$ 88,640
Use of money and property	1,003,776	1,561,519	557,743
Intergovernmental sources	2,093,508	1,899,251	(194,257)
Developer fees	4,394,077	1,427,912	(2,966,165)
Special district assessments	3,083,990	3,159,558	75,568
Other revenues		147,413	147,413
Total Revenues	11,615,376	9,324,318	(2,291,058)
EXPENDITURES			
Current:			
General government	220	221	(1)
Development services	697,980	187,408	510,572
Redevelopment activities	1,014,948	654,393	360,555
Public safety	351,474	183,376	168,098
Public services	6,883,694	5,508,574	1,375,120
Capital outlay	12,020,325	4,972,943	7,047,382
Total Expenditures	20,968,641	11,506,915	9,461,726
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,353,265)	(2,182,597)	7,170,668
OTHER FINANCING SOURCES (USES)			
Operating transfers in	3,830,888	3,350,862	(480,026)
Operating transfers out	(1,591,253)	(1,435,109)	156,144
Total Other Financing Sources (Uses)	2,239,635	1,915,753	(323,882)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (7,113,630)	(266,844)	\$ 6,846,786
Fund Balances, Beginning of Year		25,603,050	
Fund Balances, End of Year		\$ 25,336,206	

CITY OF SAN RAMON

COMBINING BALANCE SHEET

CAPITAL PROJECTS FUNDS

JUNE 30, 2002

(With Comparative Totals for June 30, 2001)

	RDA Capital Project	Central Park Expansion	TOTALS	
			2002	2001
ASSETS				
Cash and investments	\$ 152,135	\$ 223,480	\$ 375,615	\$ 3,083,281
Receivable:				
Accounts	27,328		27,328	27,803
Interest		2,530	2,530	29,610
Prepays and deposits				1,375
Total Assets	<u>\$ 179,463</u>	<u>\$ 226,010</u>	<u>\$ 405,473</u>	<u>\$ 3,142,069</u>
LIABILITIES				
Accounts payable	169,712	92,609	262,321	1,239,475
Salary and benefits payable	<u>9,751</u>		<u>9,751</u>	<u>10,333</u>
Total Liabilities	<u>179,463</u>	<u>92,609</u>	<u>272,072</u>	<u>1,249,808</u>
FUND EQUITY				
Fund balances				
Unreserved		133,401	133,401	1,892,261
Total Fund Equity	<u>-</u>	<u>133,401</u>	<u>133,401</u>	<u>1,892,261</u>
Total Liabilities and Fund Equity	<u>\$ 179,463</u>	<u>\$ 226,010</u>	<u>\$ 405,473</u>	<u>\$ 3,142,069</u>

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(With Comparative Totals for the Fiscal Year Ended June 30, 2001)**

	RDA Capital Project	Central Park Expansion	TOTALS	
			2002	2001
REVENUES				
Use of money and property	\$ (66,170)	\$ 13,906	\$ (52,264)	\$ 291,893
Total Revenues	(66,170)	13,906	(52,264)	291,893
Current:				
Redevelopment activities	1,171,548		1,171,548	1,047,583
Capital outlay	2,973,939	74,139	3,048,078	4,825,745
Total Expenditures	4,145,487	74,139	4,219,626	5,873,328
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,211,657)	(60,233)	(4,271,890)	(5,581,435)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt	2,513,030		2,513,030	884,561
Operating transfers out				(11,508)
Total Other Financing Sources	2,513,030	-	2,513,030	873,053
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,698,627)	(60,233)	(1,758,860)	(4,708,382)
Fund Balances, Beginning of Year	1,698,627	193,634	1,892,261	6,600,643
Fund Balances, End of Year	\$ -	\$ 133,401	\$ 133,401	\$ 1,892,261

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	RDA Capital Project		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Use of money and property	\$ 166,360	\$ (66,170)	\$ (232,530)
Total Revenues	166,360	(66,170)	(232,530)
EXPENDITURES			
Current:			
General government			
Development services			
Redevelopment activities	1,410,777	1,171,548	239,229
Capital outlay	6,568,314	2,973,939	3,594,375
Total Expenditures	7,979,091	4,145,487	3,833,604
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,812,731)	(4,211,657)	3,601,074
OTHER FINANCING SOURCES (USES)			
Proceeds from debt		2,513,030	2,513,030
Total Other Financing Sources (Uses)		2,513,030	2,513,030
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (7,812,731)</u>	(1,698,627)	<u>\$ 6,114,104</u>
Fund Balances, Beginning of Year		1,698,627	
Fund Balances, End of Year		<u>\$ -</u>	

Central Park Expansion			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 6,891	\$ 13,906	\$ 7,015	\$ 173,251	\$ (52,264)	\$ (225,515)
6,891	13,906	7,015	173,251	(52,264)	(225,515)
82,866	74,139	8,727	1,410,777	1,171,548	239,229
82,866	74,139	8,727	6,651,180	3,048,078	3,603,102
(75,975)	(60,233)	15,742	8,061,957	4,219,626	3,842,331
				2,513,030	2,513,030
				2,513,030	2,513,030
<u>\$ (75,975)</u>	<u>(60,233)</u>	<u>\$ 15,742</u>	<u>\$ (7,888,706)</u>	<u>(1,758,860)</u>	<u>\$ 6,129,846</u>
	193,634			1,892,261	
	<u>\$ 133,401</u>			<u>\$ 133,401</u>	

CITY OF SAN RAMON

COMBINING BALANCE SHEET

DEBT SERVICE FUNDS

JUNE 30, 2002

(With Comparative Totals for June 30, 2001)

	<u>COP #6</u>	<u>COP #7</u>	<u>COP #9</u>
ASSETS			
Cash and investments			
Restricted cash and investments	\$ 5	\$ 492,671	\$ 500,766
Receivable:			
Interest			
Total Assets	<u>\$ 5</u>	<u>\$ 492,671</u>	<u>\$ 500,766</u>
LIABILITIES			
Accounts payable			
Due to other funds			253
Total Liabilities			<u>253</u>
FUND EQUITY			
Fund balances			
Reserved	5	492,671	500,766
Unreserved			
Undesignated			(253)
Total Fund Equity	<u>5</u>	<u>492,671</u>	<u>500,513</u>
Total Liabilities and Fund Equity	<u>\$ 5</u>	<u>\$ 492,671</u>	<u>\$ 500,766</u>

Debt Service RDA	COP #10	TOTALS	
		2002	2001
\$ 2,167,703	\$ 40,881	\$ 2,208,584	\$ 2,966,699
3,577,401	1,098,577	5,669,420	5,754,897
49,233		49,233	46,151
<u>\$ 5,794,337</u>	<u>\$ 1,139,458</u>	<u>\$ 7,927,237</u>	<u>\$ 8,767,747</u>
738		738	593
		253	76,700
<u>738</u>		<u>991</u>	<u>77,293</u>
3,577,401	1,098,577	5,669,420	5,751,134
<u>2,216,198</u>	<u>40,881</u>	<u>2,256,826</u>	<u>2,939,320</u>
<u>5,793,599</u>	<u>1,139,458</u>	<u>7,926,246</u>	<u>8,690,454</u>
<u>\$ 5,794,337</u>	<u>\$ 1,139,458</u>	<u>\$ 7,927,237</u>	<u>\$ 8,767,747</u>

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

(With Comparative Totals for the Fiscal Year Ended June 30, 2001)

	<u>COP #6</u>	<u>COP #7</u>	<u>COP #9</u>
REVENUES			
Property taxes			
Use of money and property	<u>\$ 37</u>	<u>\$ 17,998</u>	<u>\$ 9,148</u>
Total Revenues	<u>37</u>	<u>17,998</u>	<u>9,148</u>
EXPENDITURES			
Current:			
Redevelopment activities			
Debt service			
Principal retirement		90,000	160,000
Interest and fees		<u>148,846</u>	<u>344,430</u>
Total Expenditures		<u>238,846</u>	<u>504,430</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>37</u>	<u>(220,848)</u>	<u>(495,282)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	76,200	238,924	489,320
Proceeds from debt			
Operating transfers out	<u>(3,294)</u>		
Total Other Financing Sources (Uses)	<u>72,906</u>	<u>238,924</u>	<u>489,320</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	72,943	18,076	(5,962)
Fund Balances, Beginning of Year	<u>(72,938)</u>	<u>474,595</u>	<u>506,475</u>
Fund Balances, End of Year	<u>\$ 5</u>	<u>\$ 492,671</u>	<u>\$ 500,513</u>

Debt Service RDA	COP #10	TOTALS	
		2002	2001
\$ 3,562,755		\$ 3,562,755	\$ 3,803,061
470,350	\$ 19,417	516,950	1,346,817
<u>4,033,105</u>	<u>19,417</u>	<u>4,079,705</u>	<u>5,149,878</u>
			824,768
3,153,031	470,000	3,873,031	14,734,561
1,926,461	669,125	3,088,862	3,893,109
<u>5,079,492</u>	<u>1,139,125</u>	<u>6,961,893</u>	<u>19,452,438</u>
<u>(1,046,387)</u>	<u>(1,119,708)</u>	<u>(2,882,188)</u>	<u>(14,302,560)</u>
178,310	1,138,520	2,121,274	13,742,178
			13,734,628
		(3,294)	(12,446,741)
<u>178,310</u>	<u>1,138,520</u>	<u>2,117,980</u>	<u>15,030,065</u>
(868,077)	18,812	(764,208)	727,505
<u>6,661,676</u>	<u>1,120,646</u>	<u>8,690,454</u>	<u>7,962,949</u>
<u>\$ 5,793,599</u>	<u>\$ 1,139,458</u>	<u>\$ 7,926,246</u>	<u>\$ 8,690,454</u>

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	COP #6	
	Budget	Variance Favorable (Unfavorable)
REVENUES		
Property taxes		
Use of money and property	\$ 37	\$ 37
Total Revenues	37	37
EXPENDITURES		
Debt service		
Principal retirement		
Interest and fees		
Total Expenditures		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37	37
OTHER FINANCING SOURCES (USES)		
Operating transfers in	76,200	76,200
Operating transfers out	(3,294)	(3,294)
Total Other Financing Sources (Uses)	72,906	72,906
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ 72,943
Fund Balances, Beginning of Year	(72,938)	
Fund Balances, End of Year	\$ 5	

COP #7			COP #9		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 27,000	\$ 17,998	\$ (9,002)	\$ 28,000	\$ 9,148	\$ (18,852)
27,000	17,998	(9,002)	28,000	9,148	(18,852)
90,000	90,000		160,000	160,000	
149,250	148,846	404	340,868	344,430	(3,562)
239,250	238,846	404	500,868	504,430	(3,562)
(212,250)	(220,848)	(8,598)	(472,868)	(495,282)	(22,414)
212,250	238,924	26,674	472,868	489,320	16,452
212,250	238,924	26,674	472,868	489,320	16,452
\$ -	18,076	\$ 18,076	\$ -	(5,962)	\$ (5,962)
	474,595			506,475	
	\$ 492,671			\$ 500,513	

CITY OF SAN RAMON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- BUDGET AND ACTUAL (Continued)
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Debt Service RDA		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property taxes	\$ 3,320,100	\$ 3,562,755	\$ 242,655
Use of money and property	327,904	470,350	142,446
Total Revenues	3,648,004	4,033,105	385,101
EXPENDITURES			
Debt service			
Principal retirement	1,881,438	3,153,031	(1,271,593)
Interest and fees	1,927,436	1,926,461	975
Total Expenditures	3,808,874	5,079,492	(1,270,618)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(160,870)	(1,046,387)	(885,517)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	178,310	178,310	
Operating transfers out			
Total Other Financing Sources (Uses)	178,310	178,310	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 17,440	(868,077)	\$ (885,517)
Fund Balances, Beginning of Year		6,661,676	
Fund Balances, End of Year		\$ 5,793,599	

COP #10			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 62,052	\$ 19,417	\$ (42,635)	\$ 3,320,100	\$ 3,562,755	\$ 242,655
62,052	19,417	(42,635)	444,956	516,950	71,994
			3,765,056	4,079,705	314,649
470,000	470,000		2,601,438	3,873,031	(1,271,593)
665,226	669,125	(3,899)	3,082,780	3,088,862	(6,082)
1,135,226	1,139,125	(3,899)	5,684,218	6,961,893	(1,277,675)
(1,073,174)	(1,119,708)	(46,534)	(1,919,162)	(2,882,188)	(963,026)
1,088,174	1,138,520	50,346	1,951,602	2,121,274	169,672
				(3,294)	(3,294)
1,088,174	1,138,520	50,346	1,951,602	2,117,980	166,378
\$ 15,000	18,812	\$ 3,812	\$ 32,440	(764,208)	\$ (796,648)
	1,120,646			8,690,454	
	\$ 1,139,458			\$ 7,926,246	

CITY OF SAN RAMON

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Balance June 30, 2001	Additions	Reductions	Balance June 30, 2002
<u>Fostoria Assessment District</u>				
Cash and investments	\$ 4,956		\$ 10,355	\$ (5,399)
Restricted cash and investments	335,216	\$ 95,782	87,591	343,407
Total Assets	<u>\$ 340,172</u>	<u>\$ 95,782</u>	<u>\$ 97,946</u>	<u>\$ 338,008</u>
Due to bondholders	<u>\$ 340,172</u>	<u>\$ 95,782</u>	<u>\$ 97,946</u>	<u>\$ 338,008</u>
Total Liabilities	<u>\$ 340,172</u>	<u>\$ 95,782</u>	<u>\$ 97,946</u>	<u>\$ 338,008</u>
<u>Cree Court Assessment District</u>				
Cash and investments		\$ 180,676		\$ 180,676
Restricted cash and investments	\$ 233,704		\$ 231,645	2,059
Total Assets	<u>\$ 233,704</u>	<u>\$ 180,676</u>	<u>\$ 231,645</u>	<u>\$ 182,735</u>
Due to bondholders	<u>\$ 233,704</u>	<u>\$ 180,676</u>	<u>\$ 231,645</u>	<u>\$ 182,735</u>
Total Liabilities	<u>\$ 233,704</u>	<u>\$ 180,676</u>	<u>\$ 231,645</u>	<u>\$ 182,735</u>
<u>SCCJEPA Trust Fund</u>				
Cash and investments	\$ 7,242		\$ 6,517	\$ 725
Interest receivable	196		188	8
Total Assets	<u>\$ 7,438</u>	<u>\$ -</u>	<u>\$ 6,705</u>	<u>\$ 733</u>
Due to other governments	<u>\$ 7,438</u>		<u>\$ 6,705</u>	<u>\$ 733</u>
Total Liabilities	<u>\$ 7,438</u>	<u>\$ -</u>	<u>\$ 6,705</u>	<u>\$ 733</u>
<u>TVTC Trust Fund</u>				
Cash and investments		\$ 7,717,077		\$ 7,717,077
Interest receivable		89,567		89,567
Accounts receivable		1,177,378		1,177,378
Total Assets	<u>\$ -</u>	<u>\$ 8,984,022</u>	<u>\$ -</u>	<u>\$ 8,984,022</u>
Due to other governments		<u>\$ 8,984,022</u>		<u>\$ 8,984,022</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 8,984,022</u>	<u>\$ -</u>	<u>\$ 8,984,022</u>

CITY OF SAN RAMON

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Balance June 30, 2001	Additions	Reductions	Balance June 30, 2002
<u>Total Agency Funds</u>				
Cash and investments	\$ 12,198	\$ 7,897,753	\$ 16,872	\$ 7,893,079
Restricted cash and investments	568,920	95,782	319,236	345,466
Interest receivable	196	89,567	188	89,575
Accounts receivable		1,177,378		1,177,378
Total Assets	<u>\$ 581,314</u>	<u>\$ 9,260,480</u>	<u>\$ 336,296</u>	<u>\$ 9,505,498</u>
Due to other governments	\$ 7,438	\$ 8,984,022	\$ 6,705	\$ 8,984,755
Due to bondholders	573,876	276,458	329,591	520,743
Total Liabilities	<u>\$ 581,314</u>	<u>\$ 9,260,480</u>	<u>\$ 336,296</u>	<u>\$ 9,505,498</u>